

**FREQUENTLY ASKED QUESTIONS (FAQS)**

**Bank Indonesia Circular Letter No.12/10/DPM/2010**

**dated March 30, 2010 concerning the Standard Guidelines on the  
Implementation of Anti-Money Laundering and Counter-Terrorism  
Financing Program of Non-Bank Money Changer**

**Q. What is the background of the issuance of this Bank  
Indonesia Circular Letter?**

- A. a. This Bank Indonesia Circular Letter is issued to serve as further elucidation on Bank Indonesia Regulation Number 12/3/PBI/2010 dated March 1, 2010 concerning the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program of Non-Bank Money Changer.
- b. It serves as reference to the minimum standards which must be met by Non-Bank Money Changer in preparing the Guidelines on the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program.

**Q. What are the principles provided for in this Circular Letter?**

- A. These standard guidelines on Anti-Money Laundering and Counter-Terrorism Financing serve as reference to the minimum standards which must be met by Non-Bank Money Changer in preparing these Guidelines on the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program. The regulating principles in this Circular Letter include:

- a. management (responsibilities of the Board of Directors and active supervision of the Board of Commissioners on the implementation of Anti-Money Laundering and Counter-Terrorism Financing Program of Non-Bank Money Changer (PVA))
- b. policies on and procedures for the implementation of Anti-Money Laundering and Counter-Terrorism Financing Program of Non-Bank Money Changer (PVA) including:
  - 1. implementation of Customer Due Diligence (CDD)
  - 2. Beneficial Owner
  - 3. implementation of Enhanced Due Diligence (EDD)
  - 4. refusal to conduct a transaction
  - 5. information and document update
  - 6. document administration
  - 7. reporting to Indonesian Financial Transaction Reports and Analysis Centre (PPATK)
- c. internal control
- d. human resources and training

**Q. When does this Circular Letter come into effect?**

A. This Circular Letter comes into effect on the date of its stipulation, namely March 30, 2010.

**Q. What are the matters which must be observed related to the written policies on and procedures for the implementation of Anti-Money Laundering and Counter-Terrorism Financing program which must be had by Banks?**

- A.
  - a. the policies and procedures are embodied in the implementing guidelines on Anti-Money Laundering and Counter-Terrorism Financing program;
  - b. the implementation of the policies and procedures is conducted consistently and continuously;
  - c. the implementing guidelines on Anti-Money Laundering and Counter-Terrorism Financing program must obtain approval of the Board of Commissioners; and
  - d. the policies and procedures are embodied in the implementing guidelines on Anti-Money Laundering and Counter-Terrorism Financing program submitted to Bank Indonesia in accordance with the period specified.

**Q. Is Non-Bank Money Changer (PVA) required to have written policies on and procedures for the implementation of Anti-Money Laundering and Counter-Terrorism Financing program?**

- A. Yes, Non-Bank Money Changer (PVA) is required to have written policies on and procedures for the implementation of Anti-Money Laundering and Counter-Terrorism Financing program as regulated in the provisions stipulated by Bank Indonesia. Non-Bank Money Changer (PVA) which already has Implementing Guidelines on the Application of Know-Your-Customer Principles must adjust it to the Implementing Policies and Procedures on Anti-Money Laundering and Counter-Terrorism Financing Program and shall submit them to Bank Indonesia by no later

than 12 (twelve) months as from the coming into effect of Bank Indonesia Regulation No.12/3/PBI/2010 dated March 1, 2010 concerning the Implementation of Anti-Money Laundering and Counter-Terrorism Financing Program of Non-Bank Money Changer.

**Q. What does Beneficial Owner, Customer Due Diligence (CDD), Enhanced Due Diligence (EDD), Politically Exposed Person (PEP) mean?**

**A.** Beneficial Owner is each owner of funds, who controls customer's transactions, grants authority to conduct a transaction and/or control a transaction through a legal entity or an agreement.

Customer Due Diligence, hereinafter referred to as CDD, constitutes activities in the form of data identification, verification, and update conducted by Non-Bank Money Changer (PVA) so as to ensure that the transaction is in accordance with the Customer profile. Non-Bank Money Changer (PVA) must implement CDD when:

- a. conducting transactions with and/or providing services to Customer and/or Beneficial Owner; or
- b. distrusting the information submitted by Customer and/or Beneficial Owner

Enhanced Due Diligence, hereinafter referred to as EDD, constitutes more profound CDD actions taken by Non-Bank Money Changer (PVA) when conducting transactions and/or

having a business relation with Customer classified as high-risk customer including Politically Exposed Person, against potential money laundering and terrorism financing. Non-Bank Money Changer (PVA) performs EDD process when:

- a. conducting transactions with and/or providing services to Customer and/or Beneficial Owner classified as high-risk customer including Politically Exposed Persons (PEP); and/or
- b. there is an unusual transaction alleged to be related to money laundering and/or terrorism financing

Politically Exposed Person, hereinafter referred to as PEP, is a person entrusted to hold public authority such as, among other things, State Administrators as referred to in the applicable governing laws and regulations concerning State Administrators, and/or a person who is listed as member of a political party which have influence over policies and operation of a political party.

**Q. What are the responsibilities of the Board of Directors in the implementation of Anti-Money Laundering and Counter-Terrorism Financing?**

- A. The responsibilities of the Board of Directors of Non-Bank Money Changer (PVA) must at least include the following:
  - a. stipulating written policies on and procedures for the implementation of Anti-Money Laundering and Counter-

Terrorism Financing program upon the approval of the Board of Commissioners;

- b. ensuring that the implementation of ANTI-MONEY LAUNDERING and Counter-Terrorism Financing program is conducted in accordance with the stipulated written policies and procedures;
- c. adjusting the written policies and procedures on Anti-Money Laundering and Counter-Terrorism Financing program so as to be in line with the amendment of the applicable provisions related to the implementation of Anti-Money Laundering and Counter-Terrorism Financing program;
- d. reporting Suspicious Transactions and Cash Transactions to PPATK;
- e. ensuring that all employees have gained knowledge and/or received training on the implementation of Anti-Money Laundering and Counter-Terrorism Financing program;
- f. updating the customer profile and customer transaction profile.

**Q. What are the roles of the Board of Commissioners in implementing Anti-Money Laundering and Counter-Terrorism Financing program?**

- A. The active supervision of the Board of Commissioners at least includes the following:

- a. giving an approval to the policies on the implementation of Anti-Money Laundering and Counter-Terrorism Financing program; and
- b. supervising the performance of responsibilities of the Board of Commissioners in the implementation of Anti-Money Laundering and Counter-Terrorism Financing program.

**Q. Can the Board of Directors appoint employees to deal with the implementation of Anti-Money Laundering and Counter-Terrorism Financing program?**

- A. In the event that Non-Bank Money Changer (PVA) requires employees to specifically deal with the implementation of Anti-Money Laundering and Counter-Terrorism Financing program, the Board of Directors may appoint employees of Non-Bank Money Changer (PVA) in the context of the implementation of Anti-Money Laundering and Counter-Terrorism Financing Program.

**Q. Is it possible for the employees appointed to deal with the implementation of Anti-Money Laundering and Counter-Terrorism Financing program to be assigned other duties?**

- A. In the event of inadequate human resources, the employees appointed in the context of the implementation of Anti-Money Laundering and Counter-Terrorism Financing Program may be assigned other duties concurrently.

**Q. What are the requirements for the employees of Non-Bank Money Changer (PVA) dealing with the implementation of Anti-Money Laundering and Counter-Terrorism Financing program?**

A. The employees of Non-Bank Money Changer (PVA) dealing with the implementation of Anti-Money Laundering and Counter-Terrorism Financing program must fulfill the following requirements:

- a. having adequate knowledge on the implementation of Anti-Money Laundering and Counter-Terrorism Financing and other regulations; and
- b. having authority to access all Customer data and other relevant information in the context of performing his/her duties.

**Q. What are the things which must be observed by Non-Bank Money Changer (PVA) when implementing CDD to Customer and/or Beneficial Owner?**

A. Non-Bank Money Changer (PVA) must:

- a. request for and compare the information on Customer to the supporting documents containing the information on Customer; and
- b. obtain information on whether the Customer conducting transactions with and/or providing services act for his/her own account or for and on behalf of Beneficial Owner.



- c. implement CDD to Beneficial Owners with the same stringency as the procedures for CDD to Customer representing Beneficial Owner, plus information on the relation between the Customer and the Beneficial Owner.

**Q. How to implement CDD to Customer and Beneficial Owner?**

- A.**
- a. For Customer conducting transactions with and/or using services in the value of less than Rp100,000,000.00 (one hundred million Rupiah) or its equivalent in foreign currency, the information shall at least include:
    - 1. for individual customer
      - a) customer's identity which includes:
        - 1) full name including alias, if any;
        - 2) identity card number proven by showing the said identity card; and
        - 3) home address written on the identity card;
      - b) information on Beneficial Owner, in the event that the Customer represents a Beneficial Owner; and
      - c) value and date of the transaction.
    - 2. for non-individual customer:
      - a) name of business entity;
      - b) business license number from the competent authority;
      - c) domicile address of the business entity;

- d) information on Beneficial Owner, in the event that the Customer represents a Beneficial Owner; and
    - e) value and date of the transaction.
  - b. For customer conducting transactions with and/or using services in the value of Rp100,000,000.00 (one hundred million Rupiah) or more or its equivalent in foreign currency, conducted in 1 (one) or several transactions in 1 (one) business day, the information shall at least include:
    - 1. for individual customer
      - a) customer's identity which includes;
        - 1. full name including alias, if any;
        - 2. identity card number proven by showing the said identity card; and
        - 3. home address written on the identity card;
        - 4. recent home address including telephone number, if any;
        - 5. place and date of birth;
        - 6. nationality;
        - 7. occupation;
        - 8. gender; and
        - 9. Taxpayer Registration Number (NPWP), if any
      - b) information on Beneficial Owner, in the event that the Customer represents a Beneficial Owner;
      - c) value and date of the transaction;

- d) purposes and objectives of the transaction and/or the use of services; and
  - e) other information enabling the Non-Bank Money Changer (PVA) to identify the customer profile.
2. for non-individual customer:
- 1) name of business entity;
  - 2) business license number from the competent authority;
  - 3) Taxpayer Registration Number (NPWP) of the business entity;
  - 4) domicile address of the business entity;
  - 5) type or field of business;
  - 6) information on Beneficial Owner, in the event that the Customer represents a Beneficial Owner;
  - 7) value and date of the transaction;
  - 8) purposes and objectives of the transaction and/or business relation; and
  - 9) other information enabling the Non-Bank Money Changer (PVA) to identify the Customer profile.

**Q. When must Non-Bank Money Changer (PVA) implement EDD?**

A. Non-Bank Money Changer (PVA) must implement EDD when:

- a. conducting transactions with and/or providing services to Customer and/or Beneficial Owner classified as high-risk customer including Politically Exposed Person; or
- b. there is an unusual transaction alleged to be related to money laundering and/or terrorism financing.

**Q. What kind of information is needed to perform EDD?**

- A. Information needed in performing EDD includes at least the following information:
- a. information on Customer and/or Beneficial Owner as in CDD process;
  - b. sources of fund;
  - c. purposes and objectives of the transaction;
  - d. reasonableness of the transaction profile; and
  - e. other information on business relations with the parties related to the customer or Beneficial Owner.

**Q. What are the criteria for refusing to conduct a transaction?**

- A. Non-Bank Money Changer (PVA) must refuse to conduct a transaction with and/or provide services to a Customer, in the event that the customer:
- a. does not provide the information requested in accordance with the provisions on CDD and EDD, both on the customer or the Beneficial Owner;
  - b. is found using false identity and/or give false information.

**Q. How to update Customer data?**

- A. Non-Bank Money Changer (PVA) must update and administer the customer information and documents as well as monitor the customer information and documents.

**Q. How long must it take to administer the documents related to Customer?**

- A. Non-Bank Money Changer (PVA) must administer:
- a. documents related to the information on customer and Beneficial Owner by no less than 5 (five) years as from the end of the transaction and/or provision of services to Customer.
  - b. documents of customer and Beneficial Owner related to periodical transactions as regulated in the governing Act concerning corporate documents.

**Q. Is there anything new related to the reporting to PPATK?**

- A. Non-Bank Money Changer (PVA) must submit a report on Suspicious Transaction, a report on Cash Transaction and other reports as regulated in Act concerning the Criminal Act of Money Laundering to PPATK.

The obligation of Non-Bank Money Changer (PVA) to report Suspicious Transactions also applies to transactions alleged to be related to terrorism activities and/or terrorism financing

**Q. What are the sanctions imposed by Bank Indonesia in the event that Non-Bank Money Changer (PVA) does not obey the provisions of this Bank Indonesia Regulation?**

- A. Bank Indonesia shall impose a sanction in the form of special reprimand in the event that Non-Bank Money Changer (PVA) does not perform its obligations as regulated in this Bank Indonesia Regulation.

Bank Indonesia shall impose a sanction in the form of revocation of business license in the event that Non-Bank Money Changer (PVA) does not follow up the sanction in the form of special reprimand by no later than 6 (six) months as from the issuance of the sanction.